supplemented by letter dated November 14, 1997, and (2) the Commission's letter to the licensee dated February 2, 1998.

These documents are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Calvert County Library, Prince Frederick, Maryland 20678.

Dated at Rockville, Maryland, this 2nd day of February 1998.

For the Nuclear Regulatory Commission.

Alexander W. Dromerick,

Senior Project Manager, Project Directorate I-1, Division of Reactor Projects—I/II, Office of Nuclear Reactor Regulation.

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NUCLEAR REGULATORY COMMISSION

[Docket No. 50-346]

In the Matter of Toledo Edison Company; Centerior Service Company; the Cleveland Electric Illuminating Company; (Davis-Besse Nuclear Power Station, Unit 1), Exemption

I

Toledo Edison Company, Centerior Service Company, and The Cleveland Electric Illuminating Company (the licensees) are the holders of Facility Operating License No. NPF–3, which authorizes operation of the Davis-Besse Nuclear Power Station, Unit 1 (the facility). The license provides, among other things, that the facility is subject to all rules, regulations, and orders of the U.S. Nuclear Regulatory Commission (the Commission) now or hereafter in effect.

The facility is a pressurized-water reactor located at the licensees' site in Ottawa County, Ohio.

II

By letter dated November 18, 1997, as supplemented by facsimile dated December 9, 1997, the licensees requested an exemption from certain requirements in Title 10 of the Code of Federal Regulations, part 50, Appendix R, Section III.O, for Davis-Besse.

III

Pursuant to 10 CFR 50.12, the Commission may, upon application by any interested person or upon its own initiative, grant exemptions from the requirements of 10 CFR part 50 when (1) the exemptions are authorized by law, will not present an undue risk to public health or safety, and are consistent with the common defense and security, and (2) when special circumstances are present. Special circumstances are present whenever, according to 10 CFR 50.12(a)(2)(ii), "Application of the regulation in the particular circumstances would not serve the underlying purpose of the rule or is not necessary to achieve the underlying purpose of the rule...."

10 CFR part 50, Appendix R, Section III.O, requires that the reactor coolant pump (RCP) shall be equipped with an oil collection system if the containment is not inerted during normal operation. The oil collection system shall be so designed, engineered and installed that failure will not lead to fire during normal or design basis accident conditions and that there is reasonable assurance that the system will withstand the Safe Shutdown Earthquake. The underlying purpose of 10 CFR part 50, Appendix R, Section III.O, is to ensure that leaking oil will not lead to a fire that could damage safe shutdown systems during normal or design basis accident conditions.

On the basis of the enclosed Safety Evaluation, the NRC staff concluded that the design of the oil filling system and the level of protection provided by the licensees through the use of certain compensatory measures during oil fill operations provides reasonable assurance that a lube oil fire will not occur. The compensatory measures, as itemized in the licensees' November 18, 1997, exemption request, are:

- (1) The licensees will take the following compensatory actions each time oil is added:
- (a) Oil will be added only when a low oil level computer alarm is received on an RCP motor.
- (b) Only a predetermined amount of oil necessary to clear the alarm (approximately three pints based on experience) will be initially added to the reservoir through the remote fill line. A maximum total volume of four pints may be added in an attempt to clear the alarm.
- (c) The oil fill pot will be verified empty before the technician leaves the immediate area. Any spillage resulting from adding oil to the remote oil fill pot will be cleaned up.
- (d) Personnel responsible for adding the oil will be instructed to report (to the control room) any evidence of smoke during the oil addition process. If smoke is seen, the fire brigade will be immediately dispatched to the area.
- (2) In addition, a visual inspection will be conducted following refueling

outages to confirm the integrity of the remote fill line system.

The staff also concluded that a worst-case postulated fire, from not having a lube oil collection system for the RCP lube oil fill lines, would be of limited magnitude and extent. In addition, the staff concluded that such a fire would not cause significant damage in the containment building and would not prevent operators from achieving and maintaining safe shutdown conditions. Accordingly, in light of the foregoing, the staff concluded that application of this collection system requirement is not necessary to achieve the underlying purpose of the rule.

IV

Contingent upon the use of the compensatory measures that are itemized in the licensees' November 18, 1997, exemption request, the NRC staff has concluded that the licensees' proposed use of the remote oil addition system without a collection system is authorized by law, will not present an undue risk to public health and safety and is consistent with the common defense and security. The NRC staff has also determined that there are special circumstances present, as specified in 10 CFR 50.12(a)(2)(ii), in that application of 10 CFR part 50, Appendix R, Section III.O, is not necessary in order to achieve the underlying purpose of this regulation.

Accordingly, the Commission hereby grants an exemption from the requirements of 10 CFR part 50, Appendix R, Section III.O, to the extent that the RCP lube oil fill lines are required to be protected with a collection system. The granting of this exemption is conditioned upon the licensees' use of the compensatory measures set forth in the licensees' November 18, 1997 exemption request.

Pursuant to 10 CFR 51.32, the Commission has determined that the granting of this exemption will not result in any significant adverse environmental impact (63 FR 4678).

This exemption is effective upon issuance.

Dated at Rockville, Maryland, this 30th day of January 1998.

For the Nuclear Regulatory Commission.

Samuel J. Collins,

Director, Office of Nuclear Reactor Regulation.

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